

LNF & IHCIF Calculations Illustration

- **STANDNG ROCK in Aberdeen area** -

Given Data

- 9,431 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 31% = % Expenditures on purchased services, 69% = % expenditures in-house
- 93.0% = Cost index for purchasing health care in this geographic area
- 103.5% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- \$859 per person for purchased services = $31\% * 93.0\% * \$2,980$
- \$2,128 per person for in-house services = $69\% * 103.5\% * \$2,980$
- \$2,987 per person total = \$859 (purchase) + \$2,128 (in-house)
- **\$3,248 per person total** adjusted for health status = $\$2,987 * 108.7\%$
- **\$2,503 per person net cost** = $\$3,248 - \745 Other resources (M&M&PI)

Existing Expenditures (for 9,431 users excluding wrap-around and collections)

- \$1,144 per person = local IHS allowance (excludes \$ for wrap-around)
- \$203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,401 per person for OU users** = $\$1,144 + \$203 + \$54$

LNF Calculation

- **43.1% Gross LNF** = $\$1,401$ (expenditures) / $\$3,248$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **56.0% Net LNF** = $\$1,401 / \$2,503$ net cost ($\$3,248 - \745 other)

IHCIF Allocation

- \$950,502 = \$ to raise LNF% from 56.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$33,154 Allocation** = $\$950,502$ needed for 60% * 3.488% IHCIF fraction

STANDNG ROCK Unmet Needs

- **\$23,602,958 Net Total Need** = $9,431$ users * $\$2,503$ net cost
- **\$10,391,686 Net Unmet Need** = $(100\% - 56.0\% \text{ LNF}) * 9,431$ users * $\$2,503$ net cost